

First-Class Mail

Product Development

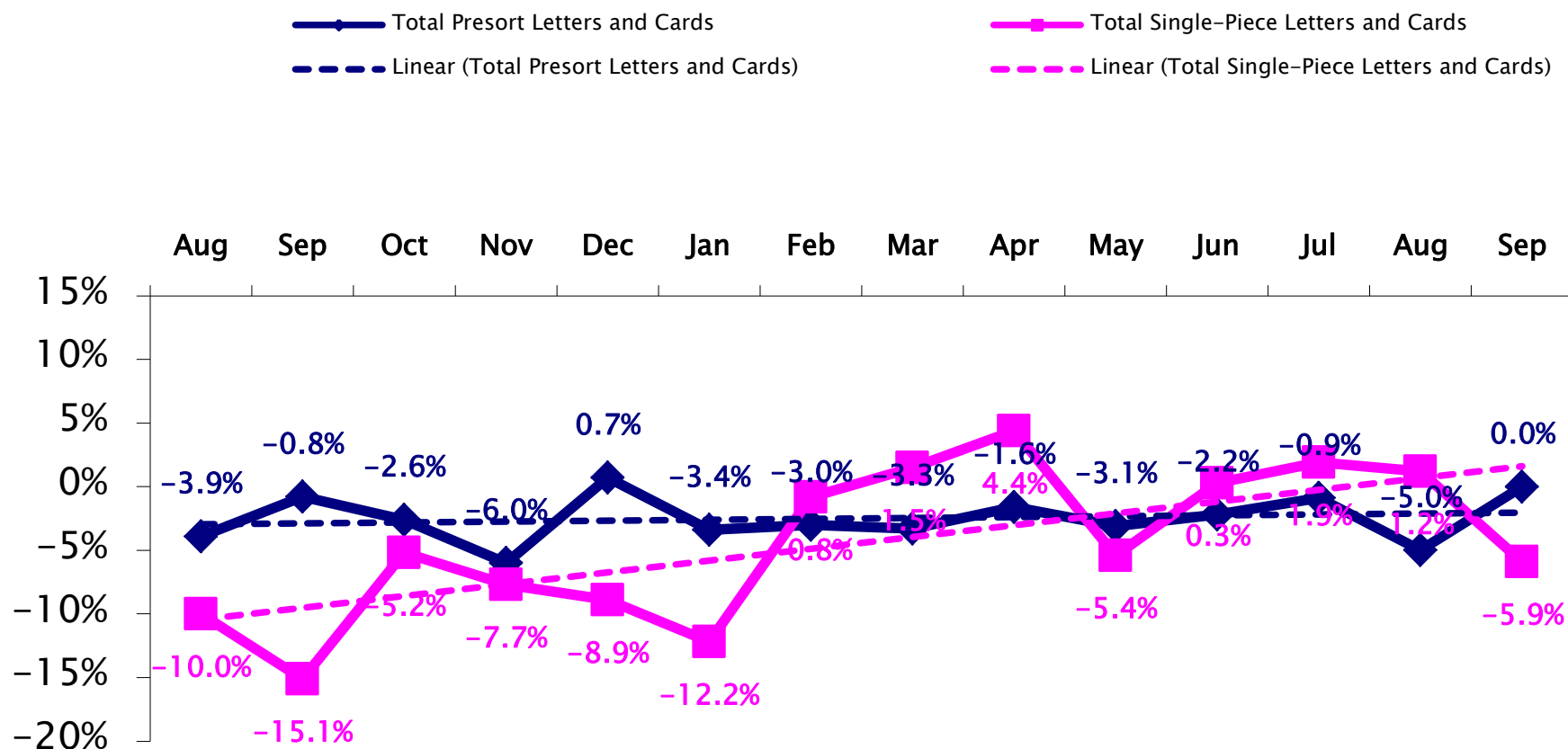
MTAC

November 20, 2014

- **Pulse of the Industry**
- **First-Class Mail Billing Study**
- **2014 Promotions Update**
- **2015 Initiatives**
- **Open Discussion**

Pulse of the Industry

First-Class Mail Volume (% Change over SPLY)



First-Class Mail Billing Study

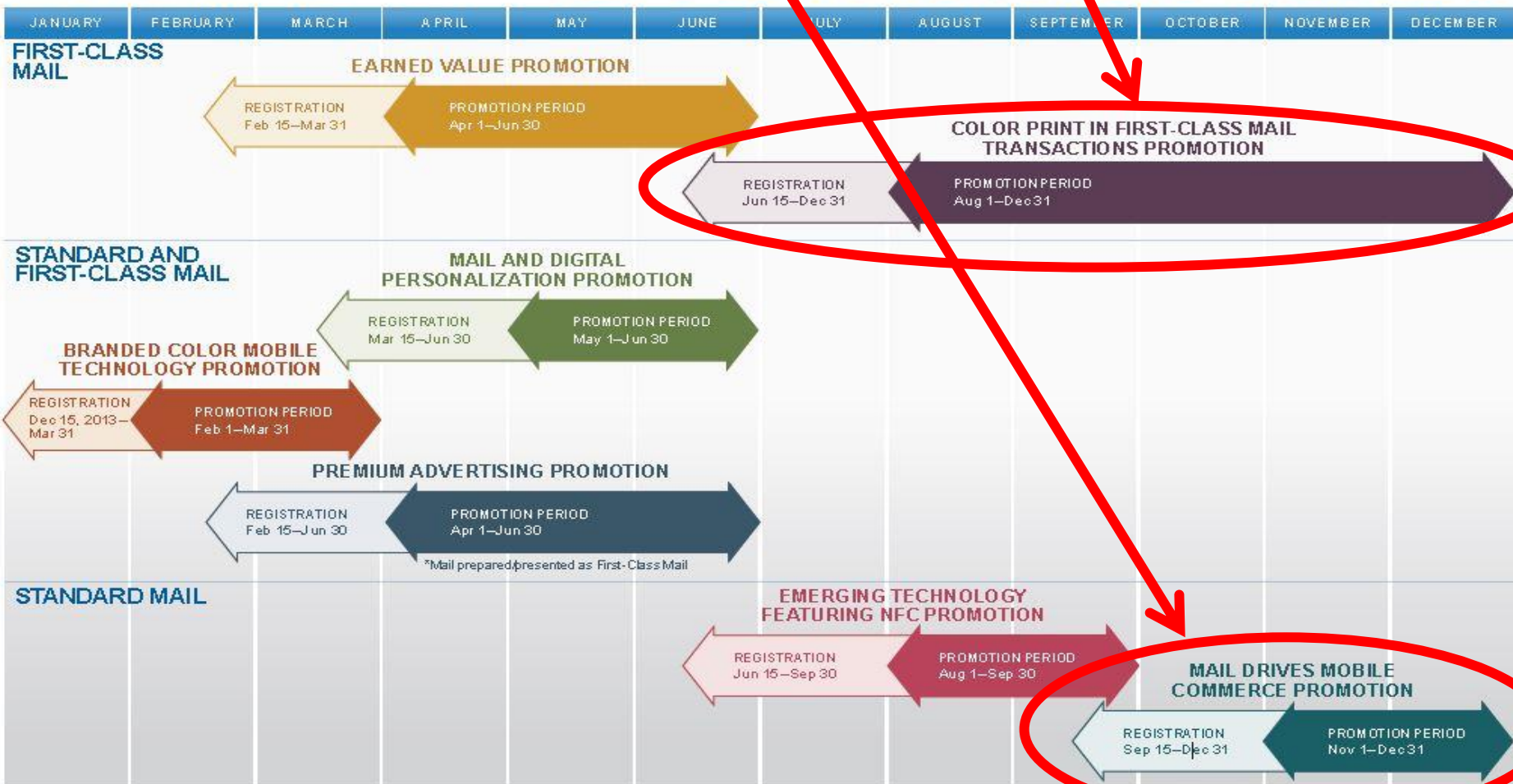
- **Currently under Evaluation**

2014 Promotions

Current Promotions



USPS® 2014 PROMOTIONS CALENDAR



For more information, visit <https://ribbs.usps.gov/index.cfm?page=mailingpromotions>

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➤ **Program Totals (2011 – 2014 through September)**

- Nearly 20 billion pieces
- Over \$4 billion revenue
- Almost \$100 million discounts/rebates
- 8,200 participants

➤ **FY13**

- 6 promotions
- 5.3 billion pieces
- \$1 billion revenue



➤ **FY14 (through September)**

- 7 promotions (5 completed, 2 in progress)
- Nearly 6 billion pieces
- \$1.25 billion revenue

▪ **Earned Value Promotion**

- **Slow the decline of First-Class Mail (BRM and CRM) pieces through a postage credit for each returned mailpiece**
 - **Promotion ended June 30, 2014**
 - 574 customers enrolled
 - Almost 500 million mail pieces were counted during the promotion months
 - 2014 promotion credits expire January 31, 2015

▪ **Emerging Technology Promotion**

- **Encourage the use of “enhanced” augmented reality or standard NFC technology in standard mail campaigns.**
 - **Promotion ended September 30**
 - 73 customers mailed over 1B pieces
 - Total discount awarded was over \$4.1M

■ **Color in First-Class Mail Transactions Promotion**

- **Continue to grow the value of First-Class Mail and encourage mailers to invest in color print technology for bills/statements.**
 - **Registration began June 15-to date, 73 mailers have enrolled**
 - **Promotion Period: August 1 through December 31, 2014**
 - To date, 37 customers have mailed over 584M pieces
 - Total discount to date is over \$4.9M

■ **Mail Drives Mobile Commerce Promotion**

- **Encourages mailers to integrate mobile technology with direct mail to create a convenient method for consumers to shop for products and services.**
 - **Registration began Sept. 15-to date 323 mailers have enrolled**
 - **Promotion Period: November 1 – December 31, 2014**
 - To date, 193 customers have mailed over 486M pieces
 - Total discount to date is \$4.1M

■ Incentive Requirement

- Mailed at least six (6) Saturation, High Density and/or High Density Plus mailings (or a combination thereof) between October 1, 2012 and September 30, 2013 (USPS FY 2013)

■ Incentive

- Certified organizations with incremental volumes above the agreed upon volume threshold (CY 2013 volume + 2%) will receive their earned credit in the first quarter of CY 2015

■ Timeline

- Registration period was: November 12- February 7, 2014
- Program period: January 1 – December 31, 2014
- Quarterly reports sent to incentive program participants

■ Updates

- 392 registrants completed the certification process
- Q3 progress reports have been sent out

■ Updates

- The Every Door Direct Mail Promotional Coupon launched September 7th
 - \$50 and \$100 coupons are being offered
 - Over 3,000 coupons distributed through November 1st
- EDDM Tablet Optimization development complete.
 - Launch scheduled for January 2015
- FY14 EDDM Revenues - \$435,711,070

Proposed 2015 Promotions

All promotions and dates are tentative and subject to PRC approval.

As of: 10/16/14

JAN – FEB - MARCH

APRIL – MAY - JUNE

JULY – AUG - SEPT

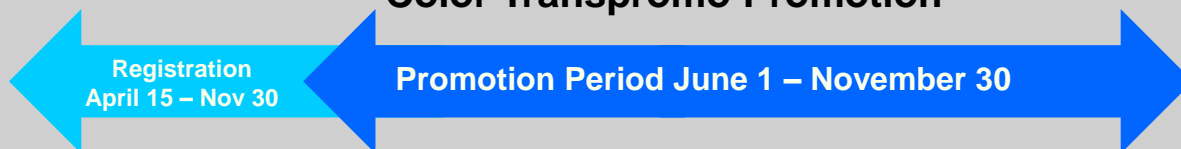
OCT – NOV - DEC

FIRST-CLASS MAIL®

Earned Value Promotion



Color Transpromo Promotion



STANDARD AND FIRST-CLASS MAIL

Emerging and Advanced Technology Promotion



STANDARD MAIL®

Mail Drives Mobile Engagement Promotion



Current List of Promotions Ideas

■ **First-Class Mail Color/Transpromo Promotion**

- Continue to grow the value of First-Class Mail and encourage mailers to invest in color print technology for bills/statements

■ **Mail Drives Mobile Engagement Promotion**

- Demonstrate how direct mail, combined with mobile technology, can combine to facilitate purchasing from a mail piece using a mobile device

■ **2015 Earned Value Reply Mail**

- Slow the decline of First-Class Mail (BRM and CRM) pieces through a postage credit for each returned mail piece. Encourages year over year growth.

■ **Advanced or Emerging Technologies Promotion**

- Encourage the use of “enhanced” augmented reality or standard NFC technology in mailing campaigns

Earned Value Promotion – Speeding up Credit Release

■ Situation in 2014

- Promotion ended June 30
- Credits were not available for use until after August 26

■ Proposed Improvements for 2015

- New functionality in Program Registration:
 - Automated threshold calculation
 - Automated credit per piece adjustment for mailers meeting or exceeding their volume thresholds
- Functionality built in PostalOne!:
 - August 2014 release identifies credits earned in 2014 and in 2013
 - Credits from 2013 to be applied before 2014 credits can be used
 - Supports expiration date for credits earned in 2014

- **Program Office contact:**

Email: mailingpromotions@usps.gov

Facsimile: 202-268-0238

Mail: US Postal Service
Post Office Box 23282
Washington, DC 20026-3282

- **Program Requirements & Documents**

<https://ribbs.usps.gov/index.cfm?page=mailingpromotions>

<https://www.usps.com/business/promotions-and-incentives.htm>

- **Registration**

<https://gateway.usps.com>

- **PostalOne Help Desk:**

(800) 522-9085 or postalone@email.usps.gov

Proposals for 2016 promotions can be sent to:

MailingInnovations@usps.gov

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Open Discussion